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C. DUKES SCOTT
EXECUTIVE DIRECTOR

P.O. Box 11263
Columbia, S.C. 29211



Phone: (803) 737-0800
Fax: (803) 737-0801

DAN F. ARNETT
CHIEF OF STAFF

July 14, 2005

VIA HAND DELIVERY

Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

RECEIVED

JUL 15 2005

PSC SC
DOCKETING DEPT.

7/15/05
toel

Re: Piedmont Natural Gas Company - Annual Review of Purchased Gas Adjustments
(PGA) and Gas Purchasing Policies

Docket No. 2005-4-G

Dear Mr. Terreni:

Enclosed for filing please find sixteen (16) copies each of the Settlement Agreement and Joint Motion Requesting Approval of Settlement Agreement in the above-referenced matter. Please date stamp one copy and return it to me via our courier. As provided in the Settlement Agreement, faxed and emailed signatures are attached.

We have served same on all parties of record and enclose a Certificate of Service to that effect.

Please let me know if you have any questions.

Sincerely,

Benjamin P. Mustian

Enclosures

cc: James H. Jeffries, IV, Esquire
Scott Elliott, Esquire
David Carpenter
Tom Skains

Service = OK

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-4-G

2005 JUL 14 PM 4:22
DOCKETED
FILED

IN RE:

Piedmont Natural Gas)	JOINT MOTION REQUESTING
Company's Annual Review of)	APPROVAL OF
Purchased Gas Adjustment and)	SETTLEMENT AGREEMENT
Gas Purchasing Policies)	

COMES NOW the Office of Regulatory Staff of South Carolina, South Carolina Energy Users Committee, and Piedmont Natural Gas Company, Inc. (collectively referred to as the "Parties"), being all of the parties of record in the above-captioned proceeding, and hereby move jointly the South Carolina Public Service Commission ("Commission") for an order approving the following:

1. Accepting into the record in the above-captioned case (i) the Settlement Agreement attached hereto, (ii) the pre-filed direct testimony of PNG witnesses Keith P. Maust and Ann H. Boggs and the pre-filed rebuttal testimony of PNG witness Ann H. Boggs without objection or cross-examination, (iii) the pre-filed direct testimony of ORS witnesses Roy H. Barnette and Carey Flynt without objection or cross-examination, and immediately thereafter, subject to the Commission's questions designed to determine the reasonableness of this Settlement Agreement, closing the record in this case;

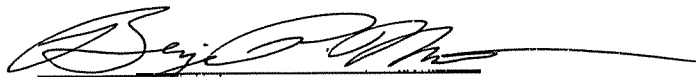
2. Approving as reasonable the Settlement Agreement attached hereto and incorporated herein by this reference; and

3. Ordering that, with the adoption of the accounting adjustments proposed by ORS witness Roy H. Barnette described herein, (i) PNG's gas purchasing policies and practices during the Review Period were reasonable and prudent, (ii) PNG properly adhered to the gas cost recovery provisions of its gas tariff and relevant Commission orders during the Review Period, and (iii) PNG managed its hedging program during the Review Period in a reasonable and prudent manner consistent with Commission orders.

WHEREFORE, having fully set forth its joint motion, the Parties request that the Commission issue an order (i) accepting into the record the pre-filed direct testimony of Keith P. Maust, Ann H. Boggs, Roy H. Barnette and Carey Flynt and the pre-filed rebuttal testimony of Ann H. Boggs without objection or cross-examination, (ii) approving the Settlement Agreement, and (iii) finding that (a) PNG's gas purchasing policies and practices during the Review Period were reasonable and prudent, (b) PNG properly adhered to the gas cost recovery provisions of its gas tariff and relevant Commission orders during the Review Period, and (c) PNG managed its hedging program during the Review Period in a reasonable and prudent manner consistent with Commission orders..

WE SO MOVE:

Representing the Office of Regulatory Staff



Florence Belser, Esquire
Benjamin P. Mustian, Esquire
Office of Regulatory Staff
1441 Main Street, Suite 300
Columbia, SC 29201
Phone: (803) 737-0853
Fax: (803) 737-0800
Email: fbelser@regstaff.sc.gov
bmustia@regstaff.sc.gov

WE SO MOVE:

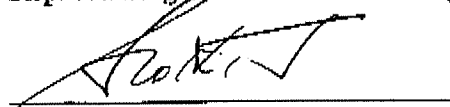
Representing Piedmont Natural Gas Company, Inc.



James H. Jeffries, IV, Esquire
Moore & Van Allen, PLLC
100 North Tryon Street, Ste. 4700
Charlotte, NC 28202
Phone: 704-331-1079
Fax: 704-339-5879
Email: jimjeffries@mvalaw.com

SCEUC has not independently reviewed (i) PNG's gas purchasing policies and practices, (ii) whether PNG properly adhered to the gas cost recovery provisions of its gas tariff and relevant Commission orders during the Review Period and (iii) whether PNG managed its hedging program during the Review Period in a reasonable and prudent manner consistent with Commission orders. SCEUC's review of these matters is limited only to (i) PNG's responses to ORS's Information Data Requests, and (ii) the pre-filed direct testimony of PNG's and ORS's witnesses. Although SCEUC has not conducted an independent investigation into the prudence of PNG's gas purchasing policies and practices, SCEUC is aware that ORS has conducted such an investigation, and by executing this Settlement Agreement, SCEUC hereby joins in this motion and supports the positions and conclusions of ORS as set forth in the pre-filed direct testimony of ORS witnesses Roy H. Barnette and Carey Flynt.

Representing South Carolina Energy Users Committee



Scott Elliott, Esquire
Elliott & Elliott, P.A.
721 Olive Street
Columbia, SC 29205
Phone: (803) 771-0555
Fax: (803) 771-8010
Email: selliott@elliottlaw.us

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-4-G

Piedmont
2005 JUN 14 PM 4:22
SO. CAROLINA

IN RE:

Piedmont Natural Gas)
Company's Annual Review of)
Purchased Gas Adjustment and)
Gas Purchasing Policies)
_____)

CERTIFICATE OF SERVICE

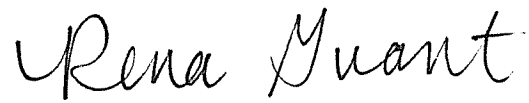
This is to certify that I, Rena Grant, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **SETTLEMENT AGREEMENT AND JOINT MOTION REQUESTING APPROVAL OF SETTLEMENT AGREEMENT** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

James H. Jeffries, IV
Moore & Van Allen, PLLC
100 North Tryon Street, Ste. 4700
Charlotte, NC 28202

Scott Elliott, Esquire
Elliott & Elliott, P.A.
721 Olive Street
Columbia, SC 29205

David Carpenter, Director of Rates
Piedmont Natural Gas Company, Inc.
Post Office Box 33068
Charlotte, NC 28233

Tom Skains, President
Piedmont Natural Gas Company, Inc.
Post Office Box 33068
Charlotte, NC 28233

A handwritten signature in cursive script that reads "Rena Grant". The signature is written in black ink and is positioned above a horizontal line.

Rena Grant

July 14, 2005
Columbia, South Carolina